



UNITED STATES BANKRUPTCY COURT
Northern District of California
U.S. Courthouse and Federal Building
280 South First Street Room 3035
San Jose, California 95113-3099
(408) 535-5118

FILED

2007 JUL -3 P 4: 07

RICHARD W. WIEKING
CLERK
U.S. DISTRICT COURT
NO. DIST. OF CA. S.J.

Sm

Gloria L. Franklin
Clerk of Court

Richard W. Wieking, Clerk
United States District Court
280 South First Street
San Jose, CA 95113

E-FILING

C07 03483 RMW

Re: *Case Name: Sonicblue Incorporated et al*
Case Number: 03-51775-MM through 03-51778-MM
Bankruptcy Judge Name: Marilyn Morgan

Dear Mr. Wieking:

[] Enclosed please find the notice of appeal, certified copy of the docket and order being appealed and related papers from BAP and designated items to form the record on appeal for assignment to a district court judge.

[X] Enclosed please find a conformed copy of the notice of appeal, election to district court document, as well as a certified copy of the docket and order being appealed for assignment to a district court judge.

[] Enclosed please find the record of designated items and a certificate of record for an appeal that has been previously sent to the district court.

[] Enclosed please find a Bankruptcy Judge's Recommendation that Appeal Be Dismissed and the Notice of Appeal and associated documents filed with the Bankruptcy Court.

Please acknowledge receipt of this appeal by stamping the district court case number on a copy of this letter and return it to Janet Dustin .

Gloria L. Franklin, Clerk
United States Bankruptcy Court

Janet Dustin

Dated: July 3, 2007

By:

Janet Dustin, Deputy Clerk

1 Michael St. James, CSB No. 95653
2 ST. JAMES LAW, P.C.
3 155 Montgomery Street, Suite 1004
4 San Francisco, California 94104
5 (415) 391-7566 Telephone
6 (415) 391-7568 Facsimile
7 michael@stjames-law.com

8 Counsel for York Credit Opportunities Fund, L.P.

9
10 **UNITED STATES BANKRUPTCY COURT**
11 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

12 In re
13
14 SONICBLUE INCORPORATED et al.
15 Debtor.

16) Case No. 03-51775 through 03-51778
17) Chapter 11
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NOTICE OF APPEAL

1 York Credit Opportunities Fund, L. P. appeals under 28 U.S.C. § 158(a) or (b) from the
2 judgment, order or decree of the bankruptcy judge entitled "Final Order Authorizing the Retention of
3 Alston & Bird, L.L.P. as counsel to Dennis J. Connolly, Chapter 11 Trustee" (the "Employment Order")
4 entered in this case on the 21st day of June 2007, a copy of which is attached hereto.

5 The names of all parties to the judgment, order, or decree appealed from and the names,
6 addresses, and telephone numbers of their respective attorneys are as follows:

7
8 YORK CREDIT OPPORTUNITIES FUND, L.P.
Appellant

9 Michael St. James, Esq.
10 ST. JAMES LAW, P.C.
11 155 Montgomery St., Suite 1004
12 San Francisco, CA 94104-4117
13 415-391-7566 (voice)
415-391-7568 (fax)
michael@stjames-law.com

Counsel for Appellant YORK CREDIT OPPORTUNITIES FUND, L.P.

14
15 DENNIS J. CONNOLLY, Trustee
16 Appellee

17 Counsel for Trustee

18 Grant T. Stein, Esq.
19 ALSTON & BIRD
20 1201 W Peachtree St.
Atlanta, GA 30309-3424
21 (404) 881-7000

22 Cecily Dumas, Esq.
23 Friedman Dumas & Springwater, LLP
24 150 Spear Street, Suite 1600
San Francisco, CA. 94105
(415) 834-3800

25 Counsel for Appellee DENNIS J. CONNOLLY, TRUSTEE
26
27
28

1
2 DATED: July 2, 2007

ST. JAMES LAW, P.C.

3
4 By /s/ Michael St. James

Michael St. James

5 Counsel for YORK CREDIT OPPORTUNITIES
FUND, L.P.

6 155 Montgomery St., Suite 1004

7 San Francisco, CA 94104-4117

8 415-391-7566 (voice)

9 415-391-7568 (fax)

10 If a Bankruptcy Appellate Panel Service is authorized to hear this appeal, each party has a right to have
11 the appeal heard by the district court. The appellant may exercise this right only by filing a separate
12 statement of election at the time of the filing of this notice of appeal. Any other party may elect, within
13 the time provided in 28 U.S.C. § 158(c), to have the appeal heard by the district court.
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GLORIA L. FRANKLIN, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA



FRIEDMAN DUMAS & SPRINGWATER LLP
CECILY A. DUMAS (S.B. NO. 111449)

150 Spear Street, Suite 1600
San Francisco, CA 94105
Telephone Number: (415) 834-3800
Facsimile Number: (415) 834-1044

The following constitutes
the order of the court. Signed June 21, 2007

Marilyn Morgan
U.S. Bankruptcy Judge

ALSTON & BIRD LLP
GRANT T. STEIN
1201 West Peachtree Street
Atlanta, GA 30309
Telephone Number: (404) 881-7000
Facsimile Number: (404) 881-7777
(admitted *pro hac vice*)

*Attorneys for Dennis J. Connolly in His Capacity as
Chapter 11 Trustee for SONICblue Incorporated, et al.*

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re

SONICBLUE INCORPORATED,
a Delaware corporation, DIAMOND
MULTIMEDIA SYSTEMS, INC.,
a Delaware corporation, REPLAYTV,
INC., a Delaware corporation, and
SENSORY SCIENCE CORPORATION,
a Delaware corporation,

Debtors.

Case Nos. 03-51775 through 03-51778

Chapter 11 Cases

Jointly Administered

**FINAL ORDER AUTHORIZING THE
RETENTION OF ALSTON & BIRD LLP
AS COUNSEL TO DENNIS J.
CONNOLLY, THE CHAPTER 11
TRUSTEE**

Date: June 14, 2007

Time: 1:30 p.m.

Place: 280 South First Street
San Jose, CA 95113

Judge: Hon. Marilyn Morgan

The application filed May 2, 2007 (the "Application") of Dennis J. Connolly, the Chapter 11 Trustee (the "Trustee") in the above-captioned Chapter 11 bankruptcy cases of SONICblue Incorporated, Diamond Multimedia Systems, Inc., ReplayTV, Inc., and Sensory Science Corporation (collectively, the "Debtors"), requesting the authority to employ Alston & Bird LLP ("A&B") as attorneys for the Trustee in these cases filed pursuant to Chapter 11

of the United States Bankruptcy Code (the "Bankruptcy Code") came on for hearing on June 14, 2007 at 10:30 a.m. and 1:30 p.m. in the above-referenced court. Grant T. Stein, Alston & Bird LLP and Cecily A. Dumas, Friedman Dumas & Springwater LLP appeared on behalf of the Trustee; Michael St. James, St. James Law P.C., appeared on behalf of York Credit Opportunities Fund, L.P. ("York"); Nanette Dumas appeared on behalf of the United States Trustee; other appearances were made as noted in the record of the proceeding. The Court having found that notice of the Application was adequate under the circumstances; and the Court having entered an Interim Order approving the Application on May 8, 2007, and ordered that a hearing be held on June 14, 2007 on final approval of the Application; the Court having considered the Objection to Trustee's Proposed Counsel (the "Objection") filed by York, the Trustee's Reply Memorandum and Declaration of Dennis J. Connolly in support thereof, the Reply of the United States Trustee, York's Supplemental Objection, and the related submissions, and argument of counsel presented at the hearing; the Court having found that (1) A&B does not hold or represent an interest that is adverse to the estate and is disinterested within the meaning of the Bankruptcy Code, and (2) that the retention of A&B by the Trustee is in the best interests of the estates, it is hereby

ORDERED that:

1. The Objection is overruled;
2. The Application is granted; and
3. The Trustee is authorized, pursuant to Sections 327(a) and 327(d) of the Bankruptcy Code, to retain A&B as of April 17, 2007, the date of the Trustee's appointment, as his attorneys in all matters relating to the performance of his duties as the Chapter 11 Trustee in these cases as set forth in the Application.

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1
2 APPROVED AS TO FORM:

3
4 ST. JAMES LAW, P.C.

5
6 By: 

7 Michael St. James
8 Counsel for York Credit Opportunities
Fund, L.P.

9
10 OFFICE OF THE UNITED STATES TRUSTEE

11
12 By: _____

13 Nanette Dumas
14 Counsel for the United States Trustee

15
16 ** END OF ORDER **
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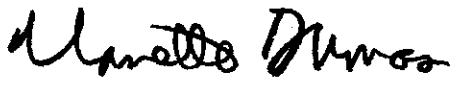
28 FINAL ORDER AUTHORIZING RETENTION
OF ALSTON & BIRD LLP
OF ALSTON & BIRD AS COUNSEL

1
2 APPROVED AS TO FORM:

3
4 ST. JAMES LAW, P.C.

5
6 By: _____
7 Michael St. James
8 Counsel for York Credit Opportunities
Fund, L.P.

9
10 OFFICE OF THE UNITED STATES TRUSTEE

11
12 By:  _____
13 Nanette Dumas
14 Counsel for the United States Trustee

15
16 ** END OF ORDER **
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28 FINAL ORDER AUTHORIZING RETENTION
OF ALSTON & BIRD LLP
OF ALSTON & BIRD AS COUNSEL

COURT SERVIC LIST

Ron Bender, Esq.
Levene, Neale, Bender, Rankin & Brill L.L.P.
10250 Constellation Blvd., Suite 1700
Los Angeles, California 90067

Michael St. James, Esq.
St. James Law, P.C.
155 Montgomery Street, Suite 1004
San Francisco, CA 94104

Office of the U.S. Trustee
Nanette Dumas, Esq.
280 South First Street, Room 268
San Jose, CA 95113

JNTADMN, 727OBJ, PreAct, APPEAL

**U.S. Bankruptcy Court
Northern District of California (San Jose)
Bankruptcy Petition #: 03-51775**

Assigned to: Judge Marilyn Morgan
Chapter 11
Voluntary
Asset

Date Filed: 03/21/2003

Debtor

SONICblue Inc.
2600 San Tomas Expwy.
Santa Clara, CA 95051
Tax id: 77-0204341
dba
S3 Inc.

represented by **Ana N. Damonte**

Pillsbury Winthrop Shaw Pittman
50 Fremont St. 5th Fl.
P.O. Box 7880
San Francisco, CA 94120-7880
(415) 983-1000
Email:
ana.damonte@pillsburylaw.com
TERMINATED: 03/26/2007

UNITED STATES BANKRUPTCY COURT
Northern District of California
I certify that this is a true, correct and full copy
of the original document on file in my custody.
Dated 7/3/07
by *Janet Ours*
Deputy Clerk



Anne E. Wells
Levene, Neale, Bender, Rankin and
Brill
10250 Constellation Blvd. #1700
Los Angeles, CA 90067
(310) 229-1234

Austin K. Barron
Law Offices of O'Melveny and
Myers
400 S Hope St.
Los Angeles, CA 90071-2899
(213) 430-6000
Email: abarron@omm.com

Craig A. Barbarosh
Pillsbury Winthrop Shaw Pittman
650 Town Center Dr. 7th Fl.
Costa Mesa, CA 92626-7122
(714) 436-6800

Craig A. Barbarosh
(See above for address)
TERMINATED: 03/26/2007

Elizabeth Gehlhar

Heritage Law Group
99 Almaden Blvd. #710
San Jose, CA 95113
(408) 925-0144

Mark D. Houle

Pillsbury Winthrop Shaw Pittman
650 Town Center Dr. 7th Fl.
Costa Mesa, CA 92626
(714) 436-6800
Email:
mark.houle@pillsburylaw.com
TERMINATED: 03/26/2007

Mark Porter

Law Offices of Fenwick and West
275 Battery St. #1500
San Francisco, CA 94111
(415) 875-2300
Email: mporter@fenwick.com

Matthew A. Gold

Argo Partners
12 W 37th St. 9th Fl.
New York, NY 10018
(212) 643-5444
Email: Tanja@argopartners.net

Matthew S. Walker

Pillsbury Winthrop Shaw Pittman
12255 El Camino Real #300
San Diego, CA 92130
(619) 234-5000
Email:
matthew.walker@pillsburylaw.com
TERMINATED: 03/26/2007

Richard A. Rogan

Jeffer, Mangels, Butler and
Marmaro
2 Embarcadero Center 5th Fl.
San Francisco, CA 94111-3824
(415) 398-8080
Email: rrogan@jmbm.com

Responsible Ind

Marcus Smith

2841 Mission College Blvd.
Santa Clara, CA 95054-1838

(408) 997-2179

Trustee

Dennis J. Connolly
Alston & Bird, LLP
1201 W. Peachtree St.
Atlanta, GA 30309-3424
404-881-7269

represented by **Cecily A. Dumas**

Friedman, Dumas and Springwater
150 Spear St. #1600
San Francisco, CA 94104
(415) 834-3802
Email:
cdumas@friedumspring.com

Grant T. Stein

Alston and Bird
1201 W Peachtree St.
Atlanta, GA 30309-3424
(404) 881-7000

Robert E. Clark

Friedman Dumas and Springwater
150 Spear St. #1600
San Francisco, CA 94105
(415) 834-3800
Email: rclark@friedumspring.com

Steven M. Collins

Law Offices of Alston and Bird
1201 W Peachtree St.
Atlanta, GA 30309
(404) 881-7000

U.S. Trustee

Office of the U.S. Trustee / SJ
U.S. Federal Bldg.
280 S 1st St. #268
San Jose, CA 95113-3004

represented by **Nanette Dumas**

Office of the U.S. Trustee
280 S 1st St. #268
San Jose, CA 95113
(408) 535-5525
Email: nanette.dumas@usdoj.gov

Shannon L. Mounger-Lum

Office of the U.S. Trustee
280 S 1st St. #268
San Jose, CA 95113-0002
(408) 535-5525
Email:
shannon.l.mounger-lum@usdoj.gov

Todd M. Arnold

Levene, Neale, Bender, Rankin,
and Brill
10250 Constellation Blvd. #1700
Los Angeles, CA 90067

(310) 229-1234

Email: TMA@lnbrb.com

Creditor Committee
Official Committee of Unsecured Creditor

represented by **Anne E. Wells**
 (See above for address)

Craig M. Rankin
 Levene, Neale, Bender, Rankin and
 Brill
 10250 Constellation Blvd. #1700
 Los Angeles, CA 90067
 (310) 229-1234

Mark D. Houle
 (See above for address)

Ron Bender
 Levine, Neale and Bender
 1801 Ave. of the Stars #1120
 Los Angeles, CA 90067
 (310) 551-1010
 Email: rb@lnbrb.com

Todd M. Arnold
 (See above for address)

Filing Date	#	Docket Text
06/21/2007	● <u>2358</u>	Operating Report for Filing Period May 2007 Filed by Trustee Dennis J. Connolly (Attachments: # <u>1</u> Exhibit A through M# <u>2</u> Exhibit N through Y# <u>3</u> Certificate of Service) (Dumas, Cecily) (Entered: 06/21/2007)
06/21/2007	● <u>2359</u>	Order Granting Application to Employ Attorney Grant T. Stein for Dennis J. Connolly Added to the Case (Related Doc # <u>2271</u>) (jd,) (Entered: 06/21/2007)
06/21/2007	● <u>2360</u>	Order Granting Application to Employ Attorney Cecily A. Dumas for Dennis J. Connolly Added to the Case (Related Doc # <u>2272</u>) (jd,) (Entered: 06/21/2007)
06/22/2007	● <u>2361</u>	Notice of Entry of Order Regarding: <i>Final Orders Authorizing the Retention of Alston & Bird LLP as Counsel and Friedman Dumas & Springwater LLP as Local Counsel to Dennis J. Connolly, the Chapter 11 Trustee</i> (RE: related document(s) <u>2359</u> Order Granting Application to Employ Attorney Grant T. Stein for Dennis J. Connolly Added to the Case (Related Doc # <u>2271</u>) (jd,), <u>2360</u> Order Granting Application to Employ

		Attorney Cecily A. Dumas for Dennis J. Connolly Added to the Case (Related Doc # <u>2272</u>) (jd,). Filed by Trustee Dennis J. Connolly (Attachments: # <u>1</u> Exhibit A# <u>2</u> Exhibit B# <u>3</u> Certificate of Service) (Clark, Robert) (Entered: 06/22/2007)
06/25/2007	● <u>2362</u>	Transcript, Date of Hearing: June 14, 2007 <i>applications to retain counsel and motion for protective order (1:36 pm - 1:55 pm)</i> . (Palmer, Susan) (Entered: 06/25/2007)
06/26/2007	● <u>2363</u>	First Supplemental Document <i>Declaration of Grant T. Stein in Connection with the Employment of Alston & Bird LLP as Counsel to Dennis J. Connolly, The Chapter 11 Trustee</i> in (RE: related document(s) <u>2359</u> Order on Application to Employ, <u>2271</u> Application to Employ,). Filed by Trustee Dennis J. Connolly (Attachments: # <u>1</u> Certificate of Service) (Dumas, Cecily) (Entered: 06/26/2007)
07/02/2007	● <u>2364</u>	<i>Motion for Chapter 11 Trustee's Application for Orders Approving Stipulations Regarding Debtors' Continued Employment of Marcus Smith and Nanci Salvucci</i> Filed by Trustee Dennis J. Connolly (Attachments: # <u>1</u> Exhibit A# <u>2</u> Exhibit B# <u>3</u> Certificate of Service) (Dumas, Cecily) (Entered: 07/02/2007)
07/02/2007	● <u>2365</u>	Notice and Opportunity for Hearing <i>on Chapter 11 Trustee's Application for Orders Approving Stipulations Regarding Debtor's Continued Employment of Marcus Smith and Nanci Salvucci</i> (RE: related document(s) <u>2364</u> <i>Motion for Chapter 11 Trustee's Application for Orders Approving Stipulations Regarding Debtors' Continued Employment of Marcus Smith and Nanci Salvucci</i> Filed by Trustee Dennis J. Connolly (Attachments: # <u>1</u> Exhibit A# (2) Exhibit B# (3) Certificate of Service) (Dumas, Cecily)). Filed by Trustee Dennis J. Connolly (Attachments: # <u>1</u> Certificate of Service) (Dumas, Cecily) (Entered: 07/02/2007)
07/02/2007	● <u>2366</u>	Notice of Appeal to District Court , Fee Amount \$ 255. (RE: related document(s) <u>2359</u> Order on Application to Employ). Appellant Designation due by 7/12/2007. Transmission to District Court due by 8/1/2007. (Attachments: # <u>1</u> Exhibit) Filed by Creditor York Credit Opportunities Fund (St. James, Michael) (Entered: 07/02/2007)
07/02/2007		Receipt of filing fee for Notice of Appeal(03-51775) [appeal,ntcapl] (255.00). Receipt number 4400132, amount \$ 255.00 (U.S. Treasury) (Entered: 07/02/2007)
07/02/2007	● <u>2367</u>	Objection to Referral to Bankruptcy Appellant Panel (RE: related document(s) <u>2366</u> Notice of Appeal, filed by Creditor York Credit Opportunities Fund). Filed by Creditor York Credit Opportunities Fund (St. James, Michael) (Entered: 07/02/2007)

07/02/2007	● <u>2368</u>	Certificate of Service (RE: related document(s) <u>2366</u> Notice of Appeal,, <u>2367</u> Objection to Referral to BAP). (St. James, Michael) (Entered: 07/02/2007)
07/02/2007	● <u>2369</u>	Motion for Leave to Appeal Filed by Creditor York Credit Opportunities Fund (Attachments: # <u>1</u> Certificate of Service) (St. James, Michael) (Entered: 07/02/2007)
07/02/2007	● <u>2370</u>	Request To Take Judicial Notice <i>in Support of Motion for Leave to Appeal</i> (RE: related document(s) <u>2366</u> Notice of Appeal,, <u>2369</u> Motion for Leave to Appeal). Filed by Creditor York Credit Opportunities Fund (Attachments: # <u>1</u> Exhibit 1-4# (2) Exhibit 5 - 9# <u>3</u> Exhibit 10 - 15# <u>4</u> Exhibit 16 - 20) (St. James, Michael) (Entered: 07/02/2007)
07/02/2007	● <u>2371</u>	Memorandum of Points and Authorities in Support of <i>Motion for Leave to Appeal</i> (RE: related document(s) <u>2369</u> Motion for Leave to Appeal). Filed by Creditor York Credit Opportunities Fund (St. James, Michael) (Entered: 07/02/2007)